Gestation Period (ii) Rehabilitation and Resettlement Problems (iii) Dearth of Good Contractors (iv) Inter-State Aspects (v) Environment and Forest Clearance (vi) Law and Order Problems (vii) Land Acquisition Problems, and (viii) Geological Surprises.

In view of the vast scope for increasing power production from hydro sources, Government of India has announced a Policy on Hydro Power Development in August 1998 which addresses to the various issues that have led to the decline of share of hydro power in the last three decades and suggests remedial measures required to accelerate it.

(d to (f) The Policy on Hydro Power Development seeks to encourage greater participation by private entrepreneurs and to create the financial administrative and legal environment to encourage massive investment. Steps are also being taken to accelerate the process of survey and investigation of the new hydroelectric sites with a view to create a shelf of projects which could be taken up for execution.

In order to encourage greater private investment, tariff for hydel projects has been rationalised, procedure for transfer of technoeconomic clearance have been simplified, a mechanism to cover geological risks has been evolved and State Governments have been made responsible for land acquisition, rehabilitation and resettlement.

Purchase of NHPC by NTPC

720. SHRIMATI JAYAPRADA NAHATA:
SHRI AMAR SINGH:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the National Thermal Power Corporation has decided to fork out Rs. 500 crores to buy National Hydel Power Corporation;

(b) if so, the details thereof;

(c) whether NTPC has any expertise in hydel Power and if so, the details thereof; and

(d) if not, what is the rationale behind this deal?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (d) The Government of India announced a Policy on Hydro Power Development in August, 1998 with an

objective to accelerate the share of hydro power which has been continuously declining over the last three decades. As against an ideal hydel-thermal mix of 40:60, the share has gone down from 44% in 1970 to 25% in 1999. Due to this, the peaking deficits are high, thermal stations have to increasingly back down as they operate under base load condition and the grid works under stress. The policy has, therefor, laid emphasis on timely completion of the on-going projects, taking up of new hydroelectric projects, survey and investigation of the new green field sites and preparation of detailed project reports.

In order to provide an impetus for accelerated Hydro Power development various options are being considered to leverage the strengths of different Central Public Sector Undertakings under the Ministry of Power. M/s. State Bank of India (SBI) Capital Markets and M/s ICICI have been commissioned as Consultants to suggest various options for leveraging the financial and technical strengths of different Central Public Sector Undertakings (CPSUs) including their restructuring to enable them to take up hydro power schemes in a big way. A decision on the modality of leveraging the financial strength of different CPSUs will be taken after analysing the recommendations of the consultant and after considering the views of the concerned Ministries and Planning Commission. The Consultants are yet to submit their report to enable the Government to take a decision. No decision has been taken by National Thermal Power Corporation to purchase shares of National Hydroelectric Power Corporation.

Dehang and Subansiri Hydel Project in Arunachal Pradesh

721. DR. ALLADI P. RAJKUMAR:
SHRI SOLIPETA RAMACHANDRA REDDY:

Will the Minister of POWER be pleased to state:

(a) whether Government propose to undertake Dehang and Subansiri Hydel Projects in the Arunachal Pradesh for generating power for development of North-Eastern region;

(b) if so, the details of the proposed investments involved: and

(c) the time schedule of completion of the Projects?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir. Ministry of Power,